General Assembly

Amendment

January Session, 2017

LCO No. **7905**

Offered by:
SEN. LARSON, 3rd Dist.
REP. SCANLON, 98th Dist.

To: Subst. Senate Bill No. **807** File No. 244 Cal. No. 148

"AN ACT INCREASING THE MINIMUM NET WORTH OF AND SECURITY MAINTAINED BY PREFERRED PROVIDER NETWORKS, AND MAKING MINOR AND TECHNICAL CHANGES TO CERTAIN INSURANCE-RELATED STATUTES."

After the last section, add the following and renumber sections and internal references accordingly:

"Sec. 501. Section 19a-7p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to any public health fee due on or after February 1, 2017*):

(a) Not later than September first, annually, the Secretary of the Office of Policy and Management, in consultation with the Commissioner of Public Health, shall (1) determine the amounts appropriated for the needle and syringe exchange program, AIDS services, breast and cervical cancer detection and treatment, x-ray screening and tuberculosis care, and venereal disease control; and (2) inform the Insurance Commissioner of such amounts.

(b) (1) As used in this section: (A) "Health insurance" means health insurance of the types specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469; and (B) "health care center" has the same meaning as provided in section 38a-175.

(2) Each domestic insurer or domestic health care center doing health insurance business in this state shall annually pay to the Insurance Commissioner, for deposit in the Insurance Fund established under section 38a-52a, a public health fee assessed by the Insurance Commissioner pursuant to this section.

(3) Not later than September first, annually, each such insurer or health care center shall report to the Insurance Commissioner, in the form and manner prescribed by said commissioner, the number of insured or enrolled lives in this state as of May first immediately preceding the date for which such insurer or health care center is providing health insurance that provides coverage of the types specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469. Such number shall not include lives enrolled in Medicare, any medical assistance program administered by the Department of Social Services, workers' compensation insurance or Medicare Part C plans.

(c) Not later than November first, annually, the Insurance Commissioner shall determine the fee to be assessed for the current fiscal year against each such insurer and health care center. Such fee shall be calculated by multiplying the number of lives reported to said commissioner pursuant to subdivision (3) of subsection (b) of this section by a factor, determined annually by said commissioner as set forth in this subsection, to fully fund the aggregate amount determined under subsection (a) of this section. The Insurance Commissioner shall determine the factor by dividing the aggregate amount by the total number of lives reported to said commissioner pursuant to subdivision (3) of subsection (b) of this section.

(d) Not later than December first, annually, the Insurance Commissioner shall submit a statement to each such insurer and health

care center that includes the proposed fee, identified on such statement as the "Public Health fee", for the insurer or health care center, calculated in accordance with this section. Not later than December twentieth, annually, any insurer or health care center may submit an objection to the Insurance Commissioner concerning the proposed public health fee. The Insurance Commissioner, after making any adjustment that said commissioner deems necessary, shall, not later than January first, annually, submit a final statement to each insurer and health care center that includes the final fee for the insurer or health care center. Each such insurer and health care center shall pay such fee to the Insurance Commissioner not later than February first, annually.

(e) Any such insurer or health care center aggrieved by an assessment levied under this section may appeal therefrom in the same manner as provided for appeals under section 38a-52.

(f) (1) The Insurance Commissioner shall apply an overpayment of the public health fee by an insurer or health care center for any fiscal year as a credit against the public health fee due from such insurer or health care center for the succeeding fiscal year, subject to an adjustment under subsection (c) of this section, if: (A) The amount of the overpayment exceeds five thousand dollars; and (B) on or before June first of the calendar year of the overpayment, the insurer or health care center (i) notifies the commissioner of the amount of the overpayment, and (ii) provides the commissioner with evidence sufficient to prove the amount of the overpayment.

(2) Not later than ninety days following receipt of notice and supporting evidence under subdivision (1) of this subsection, the commissioner shall (A) determine whether the insurer or health care center made an overpayment, and (B) notify the insurer or health care center of such determination.

(3) Failure of an insurer or health care center to notify the commissioner of the amount of an overpayment within the time

prescribed in subdivision (1) of this subsection constitutes a waiver of any demand of the insurer or health care center against the state on account of such overpayment.

(4) Nothing in this subsection shall be construed to prohibit or limit the right of an insurer or health care center to appeal pursuant to subsection (e) of this section.

Sec. 502. Section 19a-7j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to any health and welfare fee due on or after February 1, 2017*):

(a) Not later than September first, annually, the Secretary of the Office of Policy and Management, in consultation with the Commissioner of Public Health, shall (1) determine the amount appropriated for the following purposes: (A) To purchase, store and distribute vaccines for routine immunizations included in the schedule for active immunization required by section 19a-7f; (B) to purchase, store and distribute (i) vaccines to prevent hepatitis A and B in persons of all ages, as recommended by the schedule for immunizations published by the National Advisory Committee for Immunization Practices, (ii) antibiotics necessary for the treatment of tuberculosis and biologics and antibiotics necessary for the detection and treatment of tuberculosis infections, and (iii) antibiotics to support treatment of patients in communicable disease control clinics, as defined in section 19a-216a; (C) to administer the immunization program described in section 19a-7f; and (D) to provide services needed to collect up-to-date information on childhood immunizations for all children enrolled in Medicaid who reach two years of age during the year preceding the current fiscal year, to incorporate such information into the childhood immunization registry, as defined in section 19a-7h, (2) calculate the difference between the amount expended in the prior fiscal year for the purposes set forth in subdivision (1) of this subsection and the amount of the appropriation used for the purpose of the health and welfare fee established in subparagraph (A) of subdivision (2) of subsection (b) of this section in that same year, and (3) inform the Insurance

Commissioner of such amounts.

(b) (1) As used in this subsection, (A) "health insurance" means health insurance of the types specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469, and (B) "exempt insurer" means a domestic insurer that administers self-insured health benefit plans and is exempt from third-party administrator licensure under subparagraph (C) of subdivision (11) of section 38a-720 and section 38a-720a.

(2) (A) Each domestic insurer or domestic health care center doing health insurance business in this state shall annually pay to the Insurance Commissioner, for deposit in the Insurance Fund established under section 38a-52a, a health and welfare fee assessed by the Insurance Commissioner pursuant to this section.

(B) Each third-party administrator licensed pursuant to section 38a-720a that provides administrative services for self-insured health benefit plans and each exempt insurer shall, on behalf of the self-insured health benefit plans for which such third-party administrator or exempt insurer provides administrative services, annually pay to the Insurance Commissioner, for deposit in the Insurance Fund established under section 38a-52a, a health and welfare fee assessed by the Insurance Commissioner pursuant to this section.

(3) Not later than September first, annually, each such insurer, health care center, third-party administrator and exempt insurer shall report to the Insurance Commissioner, on a form designated by said commissioner, the number of insured or enrolled lives in this state as of May first immediately preceding for which such insurer, health care center, third-party administrator or exempt insurer is providing health insurance or administering a self-insured health benefit plan that provides coverage of the types specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469. Such number shall not include lives enrolled in Medicare, any medical assistance program administered by the Department of Social Services, workers' compensation insurance or Medicare Part C plans.

(4) Not later than November first, annually, the Insurance Commissioner shall determine the fee to be assessed for the current fiscal year against each such insurer, health care center, third-party administrator and exempt insurer. Such fee shall be calculated by multiplying the number of lives reported to said commissioner pursuant to subdivision (3) of this subsection by a factor, determined annually by said commissioner as set forth in this subdivision, to fully fund the amount determined under subsection (a) of this section, adjusted for a health and welfare fee, by subtracting, if the amount appropriated was more than the amount expended or by adding, if the amount expended was more than the amount appropriated, the amount calculated under subdivision (2) of subsection (a) of this section. The Insurance Commissioner shall determine the factor by dividing the adjusted amount by the total number of lives reported to said commissioner pursuant to subdivision (3) of this subsection.

(5) (A) Not later than December first, annually, the Insurance Commissioner shall submit a statement to each such insurer, health care center, third-party administrator and exempt insurer that includes the proposed fee, identified on such statement as the "Health and Welfare fee", for the insurer, health care center, third-party administrator or exempt insurer calculated in accordance with this subsection. Each such insurer, health care center, third-party administrator and exempt insurer shall pay such fee to the Insurance Commissioner not later than February first, annually.

(B) Any such insurer, health care center, third-party administrator or exempt insurer aggrieved by an assessment levied under this subsection may appeal therefrom in the same manner as provided for appeals under section 38a-52.

(6) Any insurer, health care center, third-party administrator or exempt insurer that fails to file the report required under subdivision (3) of this subsection shall pay a late filing fee of one hundred dollars per day for each day from the date such report was due. The Insurance Commissioner may require an insurer, health care center, third-party

administrator or exempt insurer subject to this subsection to produce the records in its possession, and may require any other person to produce the records in such person's possession, that were used to prepare such report, for said commissioner's or said commissioner's designee's examination. If said commissioner determines there is other than a good faith discrepancy between the actual number of insured or enrolled lives that should have been reported under subdivision (3) of this subsection and the number actually reported, such insurer, health care center, third-party administrator or exempt insurer shall pay a civil penalty of not more than fifteen thousand dollars for each report filed for which said commissioner determines there is such a discrepancy.

(7) (A) The Insurance Commissioner shall apply an overpayment of the health and welfare fee by an insurer, health care center, third-party administrator or exempt insurer for any fiscal year as a credit against the health and welfare fee due from such insurer, health care center, third-party administrator or exempt insurer for the succeeding fiscal year, subject to an adjustment under subdivision (4) of this subsection, if: (i) The amount of the overpayment exceeds five thousand dollars; and (ii) on or before June first of the calendar year of the overpayment, the insurer, health care center, third-party administrator or exempt insurer (I) notifies the commissioner of the amount of the overpayment, and (II) provides the commissioner with evidence sufficient to prove the amount of the overpayment.

(B) Not later than ninety days following receipt of notice and supporting evidence under subparagraph (A) of this subdivision, the commissioner shall (i) determine whether the insurer, health care center, third-party administrator or exempt insurer made an overpayment, and (ii) notify the insurer, health care center, third-party administrator or exempt insurer of such determination.

(C) Failure of an insurer, health care center, third-party administrator or exempt insurer to notify the commissioner of the amount of an overpayment within the time prescribed in

subparagraph (A) of this subdivision constitutes a waiver of any demand of the insurer, health care center, third-party administrator or exempt insurer against the state on account of such overpayment.

(D) Nothing in this subdivision shall be construed to prohibit or limit the right of an insurer, health care center, third-party administrator or exempt insurer to appeal pursuant to subparagraph (B) of subdivision (5) of this section."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	*from passage and applicable to any public health fee due on or after February 1, 2017*	19a-7p
Sec. 502	*from passage and applicable to any health and welfare fee due on or after February 1, 2017*	19a-7j